GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

B.C.Welfare Department – B.C.Federations – Restructured Financial Assistance Scheme from 2017-18 for 11 B.C.Federations – Guidelines – Issued.

BACKWARD CLASSES WELFARE (C) DEPARTMENT

G.O.MS.No. 18 **Dated: 28-08-2017**

Read the following :

1. G.O.Rt.No.57, B.C.Welfare (B1) Department, Dated.18.02.2008.
2. G.O.Ms.No.101, Social Welfare (SCP-I) Department, Dated.31.12.2013.
3. G.O.Ms.No.4, B.C.Welfare (C) Department, Dated.7.1.2014.
4. G.O.Ms.No.13, B.C.Welfare (C) Department, Dated.11.04.2016.
5. Minutes of the meeting held with the Chairmen / Directors of B.C.Federations and members of SLBC and Bankers on 13.07.2017 in the Chambers of Secretary to Govt., B.C.Welfare Department.
6. From the Director, B.C.Welfare, A.P., Vijayawada Lr.Rc.No.G/1370/2017, Dt.07.08.2017.

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ORDER :

In the reference 1st read above, orders were issued enhancing the quantum of financial assistance being given to each member of primary societies of Washermen Cooperative Societies Federation, Nayee Brahmin cooperative Societies Federation, Vaddera Cooperative Societies Federation from Rs.2500/- to Rs.5000/- and restructured the financial assistance scheme, stating that it shall be implemented by Washermen Cooperative Societies Federation, Nayee Brahmin cooperative Societies Federation, Vaddera Cooperative Societies Federation from the year 2008-09 on the modality of SHG formation.

2. In the reference 2nd read above, Government in Social Welfare Department have issued comprehensive guidelines for implementation of Economic Support Schemes by all Welfare Department including B.C.Federations

3. In the reference 3rd read above, Government in B.C.Welfare Department, on the lines of G.O.Ms.No.101, Dated.31.12.2013 have issued guidelines for implementation Financial Assistance Schemes in 10 B.C.Federations. In the said G.O, the existing funding pattern for Financial Assistance in 10 B.C.Federations was as follows:

	Per Member	Per Society (15 Member Group)
50%Subsidy	Rs.25,000/-	Rs.3,75,000/-
50%Bank Loan	Rs.25,000/-	Rs.3,75,000/-
Total Unit Cost	Rs. 50,000/-	Rs.7,50,000/-

4. In the reference 4th read above, orders were issued enhancing the subsidy and Unit cost under Financial Assistance for 10 B.C.Federations as follows :

	Per Member or whichever is less as per unit cost.	Per Society (15 Member Group)
50%Subsidy	Rs.1,00,000/-	Rs.15,00,000/-
50%Bank Loan	Rs.1,00,000/-	Rs.15,00,000/-
Total Unit Cost	Rs.2,00,000/-	Rs.30,00,000/-

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5. In the reference 5th read above, the Secretary to Government have convened a meeting with all the Chairmen, Directors of 11 B.C.Federations, Member of SLBC and Bankers regarding the implementation of the Schemes in B.C.Federations. The chairmen and Directors of all the 11 BC federations have requested that criteria for sanctioning of loans from the BC Federations shall be considered as five members instead of 15 members, as there is a difficulty in grounding the loans sanctioned to the affiliated cooperative society where the composition of members are 15 . Further, the bankers and members of SLBC have agreed to consider to sanction the loans to the individual members of the affiliated cooperative societies in addition to the total group of the affiliated cooperative society, plus a five membered group of the Society.

6. In the reference 6th read above, the Director, B.C.Welfare, A.P., Vijayawada has submitted proposals for Restructuring of Financial Assistance Scheme in the existing eleven B.C.Federations for speedy grounding of the units.

7. Government after careful examination of the matter, hereby issue the following orders for restructuring of Financial Assistance Scheme in the eleven B.C.Federations :

a) Criteria for release of Subsidy and loans shall be taken as either as individual or group of five members without disturbing the structure of Cooperative society comprising of 15 members for which separate slot shall be provided in OBMMS to facilitate to release the loan and subsidy to the individual members of the group and subsidy shall be released to the accounts of the members directly after getting the proportionate loan sanctioned by the bankers to the concerned member instead of release of subsidy by the society to avoid delay and duplication of work. All the Affiliated cooperative societies shall pass resolutions to authorize the Managing Directors of BC federations to release subsidy to the loan of the individuals and groups (5 Members)of the affiliated cooperative society.

b) The criteria of 5 members is to ensure maximum amount of loan sanctions by the bankers without collateral security by the members wherein the members of affiliated cooperative societies are entitled to have choice of choosing the units which are suitable to their lively hoods instead of all the 15 members being forced to take same lively hood activity.

c)All the members of the affiliated cooperative society are entitled to utilize the loan and subsidy as the member of the affiliated cooperative society and taking of 5 member group or the individual as the criteria is exclusively for the purpose of speedy sanction and grounding of the units only and the composition of members of affiliated cooperative society shall remain as 15 members only as per the cooperative societies Act 1964. And all the loan sanctioning and disbursement procedure is purely with in 15 member affiliated cooperative society only.

8. Further, the following modalities are issued for implementation of Financial Assistance Scheme in 11 B.C.Federations.

A) Loans to Individual Members:

a) The Federation shall follow the guidelines issued in G.O.Ms.No.57, BCW (B1) Department, Dated.6.10.2008 as far as utilization of financial assistance is concerned i.e., the Societies are free to take up either group activity or individual actitivity by utilizing the money being released to them.

b) Ensure that all the members shall get equal benefits of subsidy.

c) The Society, as an institution, is responsible for repayment of the loan payment portion received from the Bank.

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d) The Federations shall release 50 % of the unit cost or a maximum subsidy of Rs. 1.00 Lakh, whichever is less to the individual members of the affiliated BC Cooperative societies, if they want to avail loan individuallyl

Example: - 1) 50% subsidy = By the Federation
2) 50% loan = By the Banks
3) Unit cost = Rs.200000 [Rs.1,00,000 (Subsidy) + Rs.1,00,000(Loan)]

e) A five member group loan with subsidy shall be considered to avoid the submission of collateral security to the Banks.

f) If the unit cost is Rs.10.00 Lakh, maximum subsidy allowed is Rs.5.00 lakhs for a five (5) member group, or whichever is less as per the unit cost.

g) A separate provision of OBMMS shall be made accordingly for extending the self employment scheme duly requesting the CGG and the Principal Secretary to Government, Social Welfare Department who is looking after the Gnanabhumi Portal.

B) Loans to members through Joint Liability Group (JLG) mode by obtaining group guarantee without insisting on collateral security:

a) The bankers shall also release 50 % of loan to the unit cost of around Rs.30 Lakhs as a Group loan Where the Primary Cooperative Societies itself comes forward in a project mode, like Mega Laundry Units, JCBs and earth moving Machinery or any other viable projects.

b) The federations shall release the amounts by giving priority to the Individual members of the Primary Cooperative Societies and also to the five membered group of the society.

c) The affiliated Cooperative society shall monitor the loans to ensure end use of funds and prompt recovery to the banks.

d) Geo-tagging for units financed under the scheme shall be done.

e) The applications sponsored under the present scheme are to be routed through OBMMS.

f) The affiliated cooperative society shall be black listed permanently for any further Government loans in case of default by the members of the affiliated cooperative society to the banks for the loans taken under the present scheme.

9. The Director, B.C.Welfare, A.P., Vijayawada and all the Managing Directors of B.C.Federations shall take necessary action accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

B.UDAYA LAKSHMI
SECRETARY TO GOVERNMENT

To
The Director, B.C.Welfare, A.P., Vijayawada.
The Managing Director, A.P. Washermen Cooperative Societies Federation Limited., Vijayawada
The Managing Director, A.P. Nayee Brahmins Cooperative Societies Federation Limited., Vijayawada
The Managing Director, .A.P. Vaddera Cooperative Societies Federation Limited., Vijayawada.
The Managing Director, A.P. Sagara(Uppara) Cooperative Societies Federation Limited., Vijayawada.

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The Managing Director, .A.P. Valmiki/Boya Cooperative Societies Federation Limited., Vijayawada.
The Managing Director, A.P. Krishna Balija, Poosala Cooperative Societies Federation Limited., Vijayawada.
The Managing Director, A.P. Bhattraja Cooperative Societies Federation Limited., Vijayawada.
The Managing Director, A.P. Medara Finance Corporation Limited, Vijayawada.
The Managing Director, A.P. State Viswabrahmins Co-operative Corporation Limited., Vijayawada.
The Managing Director, A.P. State Kummari Shalivahana Co-operative Societies Federation Limited., Vijayawada.
The Managing Director, A.P.Toddy Tappers Cooperative Finance Corporation Ltd.,
The V.C. & Managing Director, A.P. Backward Classes Cooperative Finance Corporation Ltd. Vijayawada.

Copy to:-

OSD to Secretary to C.M
OSD to M (BCW)
P.S to Chief Secretary to Government.
P.S to Secretary to Government, B.C.Welfare.
All District Collectors in the State
All Executive Directors, DBCSCS in the State
The Commissioner, I & PR (with a request to issue press note to both press & Electronic media)
SF / SC.

//FORWARDED:: BY ORDER//

SECTION OFFICER